

# **I-Global Holdings Limited**

ABN 28 611 470 010

## **Consolidated Financial Statements**

For the Half Year Ended 30 June 2017

# **I-Global Holdings Limited**

ABN 28 611 470 010

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# **I-Global Holdings Limited**

ABN 28 611 470 010

## **Directors' Report** **For the Half Year Ended 30 June 2017**

The directors submit the consolidated financial report of the the Group, being I-Global Holdings Limited ("the Company") and its controlled entities, for the half year ended 30 June 2017.

### **Information on directors**

The names of each person who has been a director during the half year and to the date of this report are:

Koon Lip Choo

Francesco Cannavo (Appointed 1 September 2017)

Justyn Peter Stedwell (Appointed 30 August 2017)

Ivan Perry Wu (Resigned 1 September 2017)

Benjamin Donovan (Resigned 30 August 2017)

Teck Lee (Resigned 4 August 2017)

### **Principal activities and significant changes in nature of activities**

The principal activities of I-Global Holdings Limited during the financial half year were:

- to complete the acquisition of 100% of the issued capital of i-Global Holdings Pte Ltd ("i-Global Singapore") and its two wholly owned subsidiaries, Avant Group Sdn Bhd ("Avant") and i-Global Capital Limited ("IGC").
- to apply for admission to the Official List of the National Stock Exchange of Australia Limited ("NSX").

There were no significant changes in the nature of I-Global Holdings Limited's principal activities during the financial half year.

### **Review of operations**

Operations during the period were specifically focused on the completion of the acquisition of i-Global Singapore and the Group's successful listing on the NSX. The Group reported a loss for the half year of \$3,050,611, which included a goodwill impairment expense of \$2,978,740. The assessment of impairment was made following a review of the operations and performance of i-Global Singapore.

### **Significant changes in state of affairs**

The following significant changes in the state of affairs of the Group occurred during the financial half year:

- (i) On 21 April 2017, the Group successfully lodged its compliance prospectus with the Australian Securities and Investments Commission ("ASIC") and its listing application with the National Stock Exchange of Australia Limited ("NSX") on 25 April 2017. The offer was for 10,000 ordinary shares at an issue price of \$0.25 per share to raise \$2,500. The Group gained admission to the official list of the NSX and commenced official quotation on 1 June 2017.
- (ii) On 24 May 2017, the Group entered into a binding Heads of Agreement to acquire 100% of the issued share capital of i-Global Singapore, a limited liability company incorporated and domiciled in Singapore. This transaction was completed shortly after the Group received conditional approval to be admitted to the Official List of the NSX. The consideration paid to the shareholders of i-Global Singapore was satisfied through the issue of 67,277,000 full paid ordinary shares in the Group apportioned on a pro rata basis according to their respective shareholdings in i-Global Singapore on settlement date. i-Global Singapore has two wholly owned subsidiaries, Avant Group Sdn Bhd and i-Global Capital Limited.

# I-Global Holdings Limited

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## Directors' Report For the Half Year Ended 30 June 2017

### Events after the reporting date

Subsequent to the reporting date, the following directors resigned:

- Teck Lee (4 August 2017)
- Benjamin Donovan (30 August 2017)
- Ivan Perry Wu (1 September 2017)

Subsequent to the reporting date, the following directors were appointed:

- Justyn Peter Stedwell (30 August 2017)
- Francesco Cannavo (1 September 2017)

On 14 September 2017, all securities of the Group were placed under a trading halt due to failure to release the financial statements for the half year ended 30 June 2017, pursuant with NSX Listing Rule 6.10. The securities were subsequently suspended on 18 September 2017 and as at the date of this report, remains suspended until the Group satisfies its obligations according to the NSX Listing Rules. The Group is in the process to finalise and lodge its financial statements for the half years ended 30 June 2017 and 2018 as well as the financial statements for the year ended 31 December 2017 in order for the suspension to be lifted.

Following a review of operations and corporate structure, it was deemed that Avant and IGC were no longer required and were divested on 27 April 2018 and 1 December 2017, respectively.

On 1 June 2018, the Group announced that it had established a new business unit providing management and corporate consulting services to Australian and International clients. A small team of consultants is led by the Group's Chairman, Dr Koon Lip Choo, in providing these services with specific focus on corporate management consulting. This business unit will commence generating revenue from clients in the half year period commencing June 2018, with the majority of the Group's future revenue now expected to be generated from management and corporate consulting services with a reduced focus on corporate education and training.

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 30 June 2017 has been received and can be found on page 3 of the consolidated financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Director: .....  
  
Dr Koon Lip Choo

Dated this 21st day of December 2018

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of I-Global Holdings Limited for the half-year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of I-Global Holdings Limited and the entities it controlled during the half-year ended 30 June 2017.



**HLB Mann Judd**  
**Chartered Accountants**



**Jude Lau**  
**Partner**

Melbourne  
21 December 2018

**HLB Mann Judd (VIC Partnership)**

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 30 June 2017

		30 June 2017	23 March - 30 June 2016
	Note	\$	\$
Revenue		39	-
Foreign exchange gains		21,245	-
Employee benefits expense (including directors fees and remuneration)		(30,154)	-
Depreciation and amortisation expense	5,6	(5,148)	(999)
Impairment loss	3	(2,978,740)	-
Accounting and audit fees		(6,015)	-
Consulting and professional fees		(41,391)	-
Share registry and listing fees		(3,508)	-
Travelling and accommodation expenses		(4,921)	-
Other expenses		(2,018)	(20)
<b>Loss before income tax</b>		<b>(3,050,611)</b>	<b>(1,019)</b>
Income tax expense		-	-
<b>Net loss for the half year</b>		<b>(3,050,611)</b>	<b>(1,019)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met:			
- Exchange differences on translating foreign controlled entities		103	-
- Net fair value movements for available-for-sale financial assets		(12,773)	-
<b>Other comprehensive income for the half year, net of tax</b>		<b>(12,670)</b>	<b>-</b>
<b>Total comprehensive income for the half year</b>		<b>(3,063,281)</b>	<b>(1,019)</b>

**I-Global Holdings Limited**

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**Consolidated Statement of Financial Position  
As At 30 June 2017**

		<b>30 June 2017</b>	<b>31 December 2016</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		13,305	60,165
Trade and other receivables		2,605	89
Other financial assets		85,000	-
Current tax receivable		1,309	-
Other assets		12,134	138,720
<b>TOTAL CURRENT ASSETS</b>		<b>114,353</b>	<b>198,974</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	65,939	1,761
Intangible assets	6	2,812	-
Other assets	7	64,747	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>133,498</b>	<b>1,761</b>
<b>TOTAL ASSETS</b>		<b>247,851</b>	<b>200,735</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	764,116	201,805
Other liabilities		100,019	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>864,135</b>	<b>201,805</b>
<b>TOTAL LIABILITIES</b>		<b>864,135</b>	<b>201,805</b>
<b>NET ASSETS/(NET DEFICIENCY)</b>		<b>(616,284)</b>	<b>(1,070)</b>
<b>EQUITY/(NET DEFICIENCY)</b>			
Issued capital	9	2,448,068	1
Reserves		(12,670)	-
Accumulated losses		(3,051,682)	(1,071)
<b>TOTAL EQUITY/(NET DEFICIENCY)</b>		<b>(616,284)</b>	<b>(1,070)</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Equity

For the Half Year Ended 30 June 2017

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Fair Value Adjustment Assets- Available- For-Sale Reserve	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 January 2017</b>	1	(1,071)	-	-	(1,070)
Net profit/(loss) for the half year	-	(3,050,611)	-	-	(3,050,611)
Foreign currency translation gain	-	-	103	-	103
Fair value adjustment on available-for-sale financial assets	-	-	-	(12,773)	(12,773)
<b>Transactions with owners in their capacity as owners</b>					
Contribution of equity, net of transaction costs	2,448,067	-	-	-	2,448,067
<b>Balance at 30 June 2017</b>	<b>2,448,068</b>	<b>(3,051,682)</b>	<b>103</b>	<b>(12,773)</b>	<b>(616,284)</b>
<b>Balance at 23 March 2016</b>	-	-	-	-	-
Profit/(loss) for the period	-	(1,019)	-	-	(1,019)
<b>Transactions with owners in their capacity as owners</b>					
Contribution of equity, net of transaction costs	1	-	-	-	1
<b>Balance at 30 June 2016</b>	<b>1</b>	<b>(1,019)</b>	<b>-</b>	<b>-</b>	<b>(1,018)</b>

The accompanying notes form part of these financial statements.



# I-Global Holdings Limited

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## Consolidated Statement of Cash Flows For the Half Year Ended 30 June 2017

	30 June 2017 \$	23 March - 30 June 2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Payments to suppliers and employees	(87,996)	(20)
Interest received	39	-
Income taxes paid	(1,309)	-
<b>Net cash provided by/(used in) operating activities</b>	<b>(89,266)</b>	<b>(20)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for intangible asset	-	(999)
Subsidiary cash acquired in business combination	42,240	-
<b>Net cash used by investing activities</b>	<b>42,240</b>	<b>(999)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	-	1
Repayment of related party loan	112,688	-
Proceeds from KMP loan	75,253	2,999
Payment of share issue costs	(187,878)	-
<b>Net cash provided by financing activities</b>	<b>63</b>	<b>3,000</b>
Effects of exchange rate changes on cash and cash equivalents	103	-
Net increase/(decrease) in cash and cash equivalents held	(46,860)	1,981
Cash and cash equivalents at beginning of the half year/period	60,165	-
<b>Cash and cash equivalents at end of the half year</b>	<b>13,305</b>	<b>1,981</b>

The accompanying notes form part of these financial statements.

# I-Global Holdings Limited

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## Notes to the Financial Statements For the Half Year Ended 30 June 2017

The interim condensed consolidated financial report covers I-Global Holdings Limited and its subsidiaries (collectively, "the Group") for the six months ended 30 June 2017.

I-Global Holdings Limited ("the Company") is a for-profit Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 21 December 2018.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

This interim financial report for the six months ended 30 June 2017 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of I-Global Holdings Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within I-Global Holdings Limited. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of I-Global Holdings Limited for the period ended 31 December 2016, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### Going concern

The Group made a net loss for the period of \$3,050,611, and as at 30 June 2017 has a net asset deficiency of \$616,284, including an amount due to a related party. The Group is economically dependent on this related party not calling for repayment of the balance in question and on a related party associated with one of its major shareholders to provide continued financial support in the ordinary course of business so that the Group is able to pay its debts as and when they fall due.

Notwithstanding the above, the financial statements have been prepared on a going concern basis. A related party associated with one of the major shareholders has provided a letter of support confirming that it will provide the funds necessary for the Group to meet its debts as they fall due for a period of at least 12 months from the date of this financial report.

It is recognised that should continued financial support not be provided by the related party associated with the major shareholder, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will realise assets and discharge liabilities in the normal course of business and at the amounts shown in the financial report.

## **Notes to the Financial Statements**

### **For the Half Year Ended 30 June 2017**

#### **2 Summary of Key Policies Not Previously Disclosed**

##### **(a) Basis for consolidation**

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a December financial year end.

A list of controlled entities is contained in Note 10 to the financial statements.

##### *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

##### **(b) Business combinations**

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

## **Notes to the Financial Statements**

### **For the Half Year Ended 30 June 2017**

#### **2 Summary of Key Policies Not Previously Disclosed (continued)**

##### **(c) Financial instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### **Financial Assets**

The Group's financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- available-for-sale financial assets.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Group's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

## **Notes to the Financial Statements**

### **For the Half Year Ended 30 June 2017**

#### **2 Summary of Key Policies Not Previously Disclosed (continued)**

##### **(c) Financial instruments (continued)**

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period consolidated statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the consolidated statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

##### **Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Group's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

##### **Impairment of financial assets**

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

##### *Available-for-sale financial assets*

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

## **Notes to the Financial Statements**

### **For the Half Year Ended 30 June 2017**

#### **2 Summary of Key Policies Not Previously Disclosed (continued)**

##### **(d) Intangibles**

###### **Goodwill**

Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest; and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group determines which method to adopt for each acquisition.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available.

Refer to Note 3 for information on the goodwill policy adopted by the Group for each acquisition.

Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortised but is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

###### **Amortisation**

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

###### **Software**

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between three and five years.

## **Notes to the Financial Statements**

### **For the Half Year Ended 30 June 2017**

#### **2 Summary of Key Policies Not Previously Disclosed (continued)**

##### **(e) Foreign currency transactions and balances**

###### **Transaction and balances**

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

###### **Group companies**

The financial results and position of foreign operations whose functional currency is different from I-Global Holdings Limited's presentation currency are translated as follows:

- assets and liabilities are translated at half year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to I-Global Holdings Limited's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

## Notes to the Financial Statements

### For the Half Year Ended 30 June 2017

#### 2 Summary of Key Policies Not Previously Disclosed (continued)

##### (f) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Group where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from contracts with customers	Annual reporting periods beginning on or after 1 January 2018	<p>AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.</p> <p>Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.</p> <p>AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.</p>	<p>The changes in revenue recognition requirements in AASB 15 is likely to cause changes to the timing and amount of revenue recorded in the financial statements. The Group is currently in the process of completing its review of the potential impact.</p>



## Notes to the Financial Statements

### For the Half Year Ended 30 June 2017

#### 2 Summary of Key Policies Not Previously Disclosed (continued)

##### (f) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments	Annual reporting periods beginning on or after 1 January 2018	<p>Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value.</p> <p>Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.</p> <p>AASB 9 includes a new approach to hedge accounting that is intended to more closely align hedge accounting with risk management activities undertaken by entities when hedging financial and non-financial risks.</p>	No impact on reported financial performance or position is expected.
AASB 16 Leases	Annual reporting period beginning on or after 1 January 2019	<p>AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet.</p> <p>The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.</p> <p>A corresponding right to use asset will be recognised which will be amortised over the term of the lease.</p> <p>Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.</p>	No impact on reported financial performance or position is expected.

## Notes to the Financial Statements

### For the Half Year Ended 30 June 2017

#### 3 Business Combinations

On 24 May 2017, the parent company acquired a 100% interest of i-Global Holdings Pte Ltd (Singapore) and resulted in the Company obtaining control of i-Global Holdings Pte Ltd (Singapore).

The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date.

	Acquiree's carrying amount \$	Fair value \$
<b>Purchase consideration:</b>		
- Equity instruments		2,470,865
<b>Total purchase consideration</b>		<b>2,470,865</b>
<b>Assets or liabilities acquired:</b>		
Cash and cash equivalents	42,240	42,240
Current tax receivable	24,251	-
Financial assets	100,000	100,000
Plant and equipment	71,069	71,069
Other asset	115,602	69,229
Intangible assets	3,064	3,064
Trade and other payables	(691,180)	(691,180)
Other liabilities	(102,297)	(102,297)
<b>Identifiable assets acquired and liabilities assumed</b>	<b>(437,251)</b>	<b>(507,875)</b>
Goodwill consideration		2,470,865
Less: Net identifiable assets acquired		(507,875)
<b>Goodwill expensed</b>		<b>2,978,740</b>

Revenue of i-Global Holdings Pte Ltd (Singapore) included in the consolidated revenue of I-Global Holdings Limited since the acquisition date on 24 May 2017 amounted to \$322 with a net loss of \$55,528.

Had the results of i-Global Holdings Pte Ltd (Singapore) been consolidated from 1 January 2017, revenue of the I-Global Holdings Limited would have been \$227,479 and consolidated loss would have been \$3,616,917 for the half year ended 30 June 2017. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2017.

Goodwill recognised has been impaired in accordance with the requirements of AASB 136 *Impairment of Assets*. As at 30 June 2017, i-Global Holdings Pte Ltd (Singapore) has a consolidated net asset deficiency of \$502,877 and a consolidated loss of \$620,850 for the half year ended 30 June 2017. As at the date of this report, the Directors have reviewed the operations and performance of i-Global Singapore, including the events that have occurred subsequent to 30 June 2017 (as described in Note 13), and have concluded that the amount of goodwill recognised on the acquisition i-Global Holdings Pte Ltd (Singapore) totalling \$2,978,740 is fully impaired as at 30 June 2017.

## **Notes to the Financial Statements**

### **For the Half Year Ended 30 June 2017**

#### **4 Operating Segments**

##### **Segment information**

##### **Identification of reportable segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

Management has determined that the Group has three reportable segments, being financial education, consultancy and investment in Australia, Singapore and Malaysia. The Group is managed primarily on the basis of geographical segments as the operations of I-Global Holdings Limited in each of these geographic areas have different risk profiles and environment in which the business operates in. Operating segments are therefore determined on the same basis.

##### **Basis of accounting for purposes of reporting by operating segments**

##### **(a) Accounting policies adopted**

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of I-Global Holdings Limited.

##### **(b) Segment assets**

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

##### **(c) Segment liabilities**

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to I-Global Holdings Limited as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

# I-Global Holdings Limited

ABN 28 611 470 010

## Notes to the Financial Statements For the Half Year Ended 30 June 2017

### 4 Operating Segments (continued)

#### (d) Segment performance

	Australia		Singapore		Malaysia		Elimination		Total	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>										
Other segment income	37	-	322	-	-	-	20,886	-	21,245	-
Interest revenue	39	-	-	-	-	-	-	-	39	-
<b>Total segment revenue</b>	<b>76</b>	<b>-</b>	<b>322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,886</b>	<b>-</b>	<b>21,284</b>	<b>-</b>
Depreciation and amortisation	437	999	901	-	3,810	-	-	-	5,148	999
Impairment of goodwill	-	-	-	-	-	-	2,978,740	-	2,978,740	-
Other segment expenses	36,868	20	41,250	-	9,889	-	-	-	88,007	20
<b>Total segment expenses</b>	<b>37,305</b>	<b>1,019</b>	<b>42,151</b>	<b>-</b>	<b>13,699</b>	<b>-</b>	<b>2,978,740</b>	<b>-</b>	<b>3,071,895</b>	<b>1,019</b>
<b>Segment operating profit</b>	<b>(37,229)</b>	<b>(1,019)</b>	<b>(41,829)</b>	<b>-</b>	<b>(13,699)</b>	<b>-</b>	<b>(2,957,854)</b>	<b>-</b>	<b>(3,050,611)</b>	<b>(1,019)</b>

# I-Global Holdings Limited

ABN 28 611 470 010

## Notes to the Financial Statements For the Half Year Ended 30 June 2017

### 4 Operating Segments (continued)

#### (e) Segment assets

	Australia		Singapore		Malaysia		Elimination		Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Segment assets</b>	<b>21,214</b>	<b>198,794</b>	<b>987,419</b>	<b>-</b>	<b>198,290</b>	<b>-</b>	<b>(959,072)</b>	<b>-</b>	<b>247,851</b>	<b>198,794</b>
Segment asset increases for the period:										
- Capital expenditure	-	1,941	-	-	-	-	-	-	-	1,941
- Acquisitions	<b>2,470,865</b>	-	-	-	-	-	<b>(2,470,865)</b>	-	-	-
<b>Total segment assets</b>	<b>2,492,079</b>	<b>200,735</b>	<b>987,419</b>	<b>-</b>	<b>198,290</b>	<b>-</b>	<b>(3,429,937)</b>	<b>-</b>	<b>247,851</b>	<b>200,735</b>

#### (f) Segment liabilities

<b>Segment liabilities</b>	<b>82,309</b>	<b>201,805</b>	<b>735,531</b>	<b>-</b>	<b>173,773</b>	<b>-</b>	<b>(127,478)</b>	<b>-</b>	<b>864,135</b>	<b>201,805</b>
<b>Total segment liabilities</b>	<b>82,309</b>	<b>201,805</b>	<b>735,531</b>	<b>-</b>	<b>173,773</b>	<b>-</b>	<b>(127,478)</b>	<b>-</b>	<b>864,135</b>	<b>201,805</b>

## Notes to the Financial Statements

### For the Half Year Ended 30 June 2017

#### 5 Property, plant and equipment

	30 June 2017 \$	31 December 2016 \$
<b>Motor vehicles</b>		
At cost	180,473	-
Accumulated depreciation	(126,331)	-
<b>Total motor vehicles</b>	<b>54,142</b>	<b>-</b>
<b>Office equipment</b>		
At cost	22,887	1,941
Accumulated depreciation	(11,090)	(180)
<b>Total office equipment</b>	<b>11,797</b>	<b>1,761</b>
<b>Total property, plant and equipment</b>	<b>65,939</b>	<b>1,761</b>

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial half years:

	Motor Vehicles \$	Office Equipment \$	Total \$
<b>Half Year ended 30 June 2017</b>			
Balance at the beginning of the half year	-	1,761	1,761
Additions through business combinations	59,628	11,441	71,069
Depreciation expense	(3,802)	(1,162)	(4,964)
Foreign exchange movements	(1,684)	(243)	(1,927)
<b>Balance at the end of the half year</b>	<b>54,142</b>	<b>11,797</b>	<b>65,939</b>

## Notes to the Financial Statements

### For the Half Year Ended 30 June 2017

#### 6 Intangible Assets

	30 June 2017 \$	31 December 2016 \$
<b>Goodwill</b>		
Cost	2,978,740	-
Accumulated impairment losses	(2,978,740)	-
<b>Net carrying value</b>	-	-
<b>Computer software</b>		
Cost	5,466	-
Accumulated amortisation and impairment	(2,654)	-
<b>Net carrying value</b>	2,812	-
<b>Formation costs</b>		
Cost	-	999
Accumulated amortisation and impairment	-	(999)
<b>Net carrying value</b>	-	-
<b>Total intangibles</b>	2,812	-

#### (a) Movements in carrying amounts of intangible assets

	Computer software \$	Formation Costs \$	Goodwill \$	Total \$
<b>Half Year ended 30 June 2017</b>				
Balance at the beginning of the half year	-	-	-	-
Additions through business combinations	3,064	-	2,978,740	2,981,804
Amortisation	(184)	-	-	(184)
Impairment loss in income	-	-	(2,978,740)	(2,978,740)
Foreign exchange movements	(68)	-	-	(68)
<b>Closing value at 31 December 2017</b>	2,812	-	-	2,812
<b>Period ended 31 December 2016</b>				
Balance at the beginning of the period	-	-	-	-
Additions	-	999	-	999
Amortisation	-	(999)	-	(999)
<b>Closing value at 31 December 2016</b>	-	-	-	-

## Notes to the Financial Statements

### For the Half Year Ended 30 June 2017

#### 7 Other Asset

	30 June 2017 \$	31 December 2016 \$
NON-CURRENT		
Balance at beginning of the period/half year	-	-
Additions through business combinations	69,229	-
Foreign exchange movements	(4,482)	-
<b>Balance at end of the period/half year</b>	<b>64,747</b>	<b>-</b>

#### 8 Trade and Other Payables

	30 June 2017 \$	31 December 2016 \$
CURRENT		
Unsecured liabilities:		
Trade payables and accruals	57,279	48,816
<b>Related party payables:</b>		
- Payable to key management personnel *	151,724	2,999
- Payable to director related entity *	56,614	-
- Payable to subsidiary (pre-acquisition) *	-	149,990
Other payables	498,499	-
<b>Total current trade and other payables</b>	<b>764,116</b>	<b>201,805</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

\* These amounts are non-interest bearing



## Notes to the Financial Statements

### For the Half Year Ended 30 June 2017

#### 9 Issued Capital

	30 June 2017	31 December 2016
	\$	\$
74,587,001 (2016: 1 ) fully paid ordinary shares	2,774,666	1
Share issue costs	(326,598)	-
<b>Total issued capital</b>	<b>2,448,068</b>	<b>1</b>

#### (a) Ordinary shares

	30 June 2017	31 December 2016
	No.	No.
At the beginning of the reporting period	1	-
Shares issued during the reporting period:		
- issued on incorporation of Company	-	1
- issued as consideration for acquisition of i-Global Singapore	67,277,000	-
- issued as consideration for acquisition of Avant Group Sdn Bhd	6,000,000	-
- issued to directors	1,300,000	-
- issued on initial public offering	10,000	-
<b>At the end of the reporting period</b>	<b>74,587,001</b>	<b>1</b>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

#### (b) Capital Management

The key objectives of the Group when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Group defines capital as its equity and net debt.

There has been no change to capital risk management policies during the half year.

The Group manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk.

The Board monitors a range of financial metrics including return on capital employed and gearing ratios.

# Notes to the Financial Statements

## For the Half Year Ended 30 June 2017

### 10 Interests in Subsidiaries

#### Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) <sup>*</sup> 2017	Percentage Owned (%) <sup>*</sup> 2016
<b>Subsidiaries:</b>			
i-Global Holdings Pte Ltd	Singapore	100	-
Avant Group Sdn Bhd	Malaysia	100	-
i-Global Capital Limited	British Virgin Islands	100	-

\*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

### 11 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2017 (30 June 2016: None).

### 12 Related Parties

#### (a) The Group's main related parties are as follows:

Key management personnel - refer to list of Directors included in the Directors' report.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

#### (b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following table provides the total amount of transactions that have been entered into with related parties during the periods ended 30 June 2017 and 2016, as well as balances with related parties as at 30 June 2017 and 31 December 2016:

	Sales \$	Purchases \$	Balance outstanding	
			Owed to the Group \$	Owed by the Group \$
<b>KMP related parties</b>				
Loan from Dr Koon Lip Choo, Director:				
2017	-	-	-	151,724
2016	-	-	-	2,999
Loan from Global Assets Inc Limited:				
2017	-	-	-	56,614
2016	-	-	-	-
Loan from i-Global Holdings Pte Ltd:				
2017	-	-	-	-
2016	-	-	-	149,990
Directors' fee:				
2017	-	25,024	-	-
2016	-	-	-	-

## **Notes to the Financial Statements**

### **For the Half Year Ended 30 June 2017**

#### **13 Events Occurring After the Reporting Date**

The consolidated financial report was authorised for issue on 21 December 2018 by the board of directors.

Subsequent to the reporting date, the following directors resigned:

- Teck Lee (4 August 2017)
- Benjamin Donovan (30 August 2017)
- Ivan Perry Wu (1 September 2017)

Subsequent to the reporting date, the following directors were appointed:

- Justyn Peter Stedwell (30 August 2017)
- Francesco Cannavo (1 September 2017)

On 14 September 2017, all securities of the Group were placed under a trading halt due to failure to release the financial statements for the half year ended 30 June 2017, pursuant with NSX Listing Rule 6.10. The securities were subsequently suspended on 18 September 2017 and as at the date of this report, remains suspended until the Group satisfies its obligations according to the NSX Listing Rules. The Group is in the process to finalise and lodge its financial statements for the half years ended 30 June 2017 and 2018 as well as the financial statements for the year ended 31 December 2017 in order for the suspension to be lifted.

Following a review of operations and corporate structure, it was deemed that Avant and IGC were no longer required and were divested on 27 April 2018 and 1 December 2017, respectively.

On 1 June 2018, the Group announced that it had established a new business unit providing management and corporate consulting services to Australian and International clients. A small team of consultants is led by the Group's Chairman, Dr Koon Lip Choo, in providing these services with specific focus on corporate management consulting. This business unit will commence generating revenue from clients in the half year period commencing June 2018, with the majority of the Group's future revenue now expected to be generated from management and corporate consulting services with a reduced focus on corporate education and training.

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

#### **14 Statutory Information**

The registered office of and principal place of business of the Group is:

I-Global Holdings Limited  
Unit 1B Level 1, 205 Johnston Street  
FITZROY VIC 3065

## **Directors' Declaration**

The directors of the Group declare that:

1. The consolidated financial statements and notes, as set out on pages 4 to 25 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the half-year ended on that date.
2. In the directors opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, based on the factors outlined in Note 1 Going Concern.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....  
Dr Koon Lip Choo

Dated this 21st day of December 2018

**Independent auditor's review report to the members of I-Global Holdings Limited****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the accompanying half-year financial report of I-Global Holdings Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of I-Global Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Material Uncertainty Regarding Going Concern**

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of \$3,050,611 during the period ended 30 June 2017 and, as of that date, the Company's current liabilities exceeded its total assets by \$616,284. As stated in Note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the

**HLB Mann Judd (VIC Partnership)**

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Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in blue ink, appearing to read 'HLB Mann Judd'.

**HLB Mann Judd**  
**Chartered Accountants**

A handwritten signature in blue ink, appearing to read 'Jude Lau'.

**Jude Lau**  
**Partner**

Melbourne  
21 December 2018